CHAPTER 3

ACCOUNTING FOR APPROPRIATIONS AND OTHER FUNDS

1. INTRODUCTION.

a. **Background.** An appropriation is an authorization by an act of Congress that permits a Federal agency to incur obligations or to spend public funds. Appropriations to liquidate contract authority, appropriations to liquidate outstanding debt, and appropriations for refunds or receipts do not constitute budget authority because they do not provide authority to incur additional obligations. The Department of the Treasury (Treasury) establishes a separate account for each appropriation or fund following enactment of an appropriations act by Congress. DOE M 135.1-1, Budget Execution, and Chapter 2, Administrative Control of Funds, provide additional guidance.

b. **Applicability.** This chapter is applicable to all Departmental elements, including the National Nuclear Security Administration. This chapter does not apply to contractors.

2. OVERVIEW OF THE APPROPRIATION WARRANT, APPORTIONMENT, APPROVED FUNDING PROGRAM, AND ALLOTMENT PROCESS.

a. **Appropriation Warrant.** After the passage of a DOE appropriation bill by Congress, Treasury draws and forwards to DOE FMS Form 6200, Appropriation Warrant. The warrant is the official document issued, pursuant to law, by the Secretary of the Treasury that establishes the amount of money authorized to be withdrawn from Treasury for payment of obligations. The procedures for processing warrants are listed below:

(1) The warrant is received in the Energy Finance and Accounting Service Center (EFASC), where it is compared with the apportionment received from the Office of Management and Budget (OMB) to verify that the documents are in agreement.

(2) EFASC records the warrant in the Departmental Control Accounts.

(3) When DOE is required to operate under the provisions of a continuing resolution, EFASC requests a warrant from Treasury for an amount consistent with the provisions of the continuing resolution. When appropriation legislation is subsequently passed, Treasury prepares a warrant to cover the difference between the continuing-resolution warrant and the full amount of budget authority provided by the appropriation. DOE M 135.1-1 and Volume I, Part 2, Chapter 2000, of the Treasury Financial Manual (I TFM 2-2000) provide further discussion of warrants.

b. **Apportionment.** The OMB apportionment process makes obligational authority available to DOE for specified time periods, activities, projects, or objects, or combinations thereof.

(1) The Office of Budget requests the apportionment (SF 132, Apportionment and Reapportionment Schedule) from OMB for budget authority, unobligated balances, reimbursements and other income, recoveries of prior-year obligations, appropriation refunds, and restorations and writeoffs.

(2) The Office of Budget records the approved apportionment in the Departmental Control Accounts. Further discussion of apportionments is provided in DOE M 135.1-1.

c. **Allotment Process and Approved Funding Program.** The allotment process and approved funding program (AFP) provide the DOE corporate financial systems with the internal distribution of all obligational authority made available to the Department for the fiscal year. The allotment process and AFP are used to establish and maintain specific controls, ceilings, and limitations imposed by Congress, OMB, or the Department on the use of the funds.

(1) The allotment document, HQ F 2260.2, Advice of Allotment, as issued by the Chief Financial Officer (CFO) and the Director of the Office of Budget, confers on the allottee the authority to incur obligations and make expenditures. The allotment also conveys any legal limitations imposed on the use of the funds.

(2) The Office of Budget enters the allotments in the Funds Distribution System for automatic interface with STARS. DOE M 135.1-1 provides further discussion of AFPs and allotments.

3. SYMBOLS AND TYPES OF ACCOUNTS. All Government transactions are identified with applicable fund groups, which are classified through the assignment of account symbols by Treasury. These account symbols are available as a supplement to the TFM, titled Federal Account Symbols and Titles. Within Treasury's central accounting system, receipt and expenditure accounts are identified as follows: Clearing, General Fund Receipt, Consolidate Working Fund, General Fund Expenditure, Management Fund, Revolving Fund, Special Fund Expenditure, Special Fund Receipt, Transfer Appropriation, Trust Fund Expenditure, Trust Fund Receipt, and Trust Revolving. A description of these accounts is provided in I TFM 2-1500.

4. TYPES OF DOE ACCOUNTS. The majority of DOE's appropriations are general fund expenditure accounts that are established to record appropriated funds for the general support of DOE. General fund receipt accounts are credited with all receipts not earmarked by law for a specific purpose. Other types of DOE accounts are described below.

a. Special Fund and Trust Fund Accounts.

(1) **Special Fund Receipt Accounts** are used by the Department for crediting receipts from specific sources that are earmarked by law for specific purposes. Depending on statutory requirements, receipts may or may not be immediately available for expenditure. Special fund accounts are classified in the 5000 major class series of account symbols. Examples of DOE special fund accounts are 5105, Payments to States Under Federal Power Act; 5180, Alternative Fuels Production; and 5227, Nuclear Waste Disposal Fund.

(2) **Trust Fund Receipt Accounts** are credited with receipts generated by the terms of trust agreements or statutes. As with special fund receipt accounts, receipts may or may not be immediately available for expenditure. Trust fund accounts are classified in the 8000 major class series of account symbols, such as 8575, Advances for Co-Sponsored Projects.

(3) **Special Fund and Trust Fund Expenditure Accounts** are established to record amounts appropriated from special fund or trust fund receipts to be expended for special programs according to specific provisions of the law and in carrying out specific purposes or programs according to the terms of a trust agreement or statute.

(4) **Accounting Treatment.**

(a) All receipts for credit to special and trust funds shall be accounted for under the appropriate receipt account symbol and deposited according to collection procedures described in Chapter 6, Cash.

(b) Upon confirmation that funds are available for expenditure, the Office of Budget shall issue an AFP document and an allotment to the cognizant recipient.

(c) The accounting entries for recording the obligations and expenditures of these available funds are the same as those for other appropriated funds. Chapter 13, Reimbursable Work, Revenues, and Other Collections, establishes policies for the acceptance and deposit of funds provided by non-Federal entities as partner shares of cosponsored projects.

b. Revolving Fund Accounts.

(1) Revolving funds are authorized by Congress to provide financing for continuing cycles of operations, and receipts derived from such operations usually are available in their entirety without further congressional action. Revolving funds may be classified into two broad categories: those established to serve the needs of Government agencies and those established primarily to serve the needs of the public.

(2) Several principal activities of DOE - the power marketing activities and the Isotope Production and Distribution Program - have revolving funds that serve the needs of the public through the sale of products to customers and the generation of revenues. Unlike the isotope program, power marketing activity funds consist of all receipts, collections, and recoveries from all sources, including trust funds, sales of bonds, and congressional appropriations. Additional accounting procedures for these funds are maintained at the local level.

c. Deposit Fund (Liability) Accounts. Deposit fund (liability) accounts are for monies that do not belong to the Department. This includes monies held temporarily by the Department until ownership is determined. Deposit funds are classified in the 6000 major class series. Chapter 13, paragraph 9, contains additional guidance on deposit funds.

(1) Types of Deposit Funds. The Department's deposit fund liability accounts include the following:

(a) savings bonds (89X6050) or State income taxes (89X6275) relating to payroll deductions;

(b) fiduciary accounts used to temporarily record receipts from outside sources wherein DOE is acting solely as a banker, fiscal agent, or custodian (DOE examples include Accounts 89X6424, Advances for Cosponsored Projects; 89X6425, Payments by Alleged Violators of DOE Regulations; and 89X6427, Low-Level Radioactive Waste).

(2) Disposition. Once the disposition of a receipt is determined, record it in the applicable account or miscellaneous receipts or return it to the payee, as appropriate.

(3) Review. Deposit funds shall be reviewed at least quarterly to ensure they are promptly transferred as credits to the applicable accounts or refunded, as appropriate.

d. Clearing Accounts. Clearing accounts are used to temporarily account for transactions that are known to belong to the Department, but where the transaction can not be matched to a specific receipt or expenditure account. Clearing accounts are included in the Federal budget.

(1) Clearing accounts are classified in the 3000 major account series and are used to temporarily credit unclassified transactions from the public and other Federal agencies. Unidentified remittances from the public should be credited to 89F3875, Budget Clearing Account (Suspense), and from another Federal agency to 89F3885, Undistributed Intergovernmental Payments.

(2) **Disposition.** Once the disposition of a receipt is determined, record it in the applicable account, as appropriate.

(3) **Review.** Clearing account funds shall be reviewed at least quarterly to ensure they are promptly transferred to the applicable accounts, as appropriate.

5. TRANSACTIONS BETWEEN APPROPRIATIONS AND BETWEEN FUND ACCOUNTS. Transactions between appropriations and between fund accounts are accomplished on a nonexpenditure and expenditure basis.

a. Nonexpenditure Transactions:

(1) Are limited to transactions in which both the withdrawal and the credit occur in the same group of accounts. The transactions are not recorded or reported as obligations, expenditures, or reimbursements. They are documented on Form SF-1151, Nonexpenditure Transfer Authorization, and processed directly to Treasury without being reported on SF-224, Statement of Transactions.

(2) Include Transfer Appropriations where a part or all of an appropriation or fund is transferred between agencies. The receiving agency will establish the amount transferred in a transfer appropriation account, and will report all transactions on an SF-133, Report on Budget Execution and Budgetary Resources. No transfer appropriation shall be processed without the approval of the CFO. Detailed guidance for nonexpenditure transactions can be found in I TFM 2-2000 and DOE M 135.1-1.

b. Expenditure Transactions. Expenditure transactions are limited to transactions between two or more different appropriation, fund, and receipt accounts. Both the withdrawal from one account and the credit to another account should be reported to and recorded by Treasury. Detailed guidance for expenditure transactions is in I TFM 2-2500.

6. CONTROLS ON AVAILABILITY OF APPROPRIATION ACCOUNTS. Public Law 101-510 (31 U.S.C. 1551-1557), the National Defense Authorization Act for Fiscal Year 1991, and OMB Circular A-11 prescribe rules for determining the availability of appropriation and fund balances and establish procedures for closing appropriation and fund accounts. Specifically, appropriation accounts available for obligation for a definite period must be closed on September 30 of the 5th fiscal year after the account's availability ends. Any remaining balances in the account must be canceled, and will be unavailable for obligation for any purpose. However, during the 5-year period, expired appropriations can be used to adjust and liquidate obligations that were incurred before expiration of the appropriation but not recorded or reported, or that were recorded and reported in amounts less than ultimately determined to be payable.